

**MINUTES OF THE
RETIREMENT AND INDEPENDENT ENTITIES COMMITTEE**
Monday, November 13, 2006 – 9:00 a.m. – Room W135 House Building

Members Present:

Rep. Mike Morley, House Chair
Sen. Gene Davis
Sen. Karen Hale
Rep. David Clark
Rep. Neil A. Hansen
Rep. Rebecca Lockhart
Rep. Karen W. Morgan
Rep. Merlynn T. Newbold
Rep. LaWanna "Lou" Shurtliff

Members Absent:

Sen. D. Chris Buttars
Sen. Carlene Walker
Rep. Ron Bigelow
Rep. Ann W. Hardy

Staff Present:

Mr. Benjamin N. Christensen, Policy Analyst
Mr. Dee S Larsen, Associate General Counsel
Ms. Glenda S. Whitney, Legislative Secretary

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Call to Order

Chair Morley called the meeting to order at 9:18 a.m. Sen. Walker and Rep. Hardy were excused from attending the meeting. Sen. Evan's resignation from the Legislature became effective on November 1, 2006.

MOTION: Sen. Hale moved to approve the minutes of the September 18, 2006 meeting. The motion passed unanimously with Rep. Newbold absent for the vote.

2. Public Employees Insurance Plans Progress Report on Public Education Post-Retirement Health Insurance Costs

Chair Morley noted that during the September meeting, representatives from public education presented a report on the liabilities of Utah school districts for post-retirement benefits. The report was required by the audit, "Audits of Public Education Retirement Benefits" (released July 2005) conducted by the Legislative Auditor General. The audit recommended actuarial studies and the development of plans to fund post-retirement obligations. The Committee asked the Utah State Office of Education to have each school district provide a one page summary of its plan to address post-retirement obligations and present them during this meeting.

Mr. Patrick Ogden, State Office of Education, and Mr. Tom Upton, State Office of Education, distributed a handout, "Summary of District Responses for OPEB (Other Post Employment Benefits) Study" and reviewed each of the school district's responses on post-retirement obligations. Mr. Upton and Mr. Ogden also responded to committee questions.

3. Restrictions on Post-Retirement Employment (Draft Legislation)

Chair Morley noted that the Committee heard this bill at the September meeting but waited to take action.

Mr. Larsen distributed a handout, "Restrictions on Post-Retirement Employment - Briefing" and briefed the Committee on the post-retirement employment restrictions under Section 49-11-504 of the Utah Code.

Rep. Glenn A. Donnelson presented 2007 General Session draft legislation, "Post Retirement Employment" that was distributed in the mailing packet. He explained that the bill clarifies provisions regarding reemployment restrictions for certain retirees.

MOTION: Rep. Clark moved to adopt 2007 General Session draft legislation, "Post Retirement Employment" as a committee bill. The motion failed with Sen. Hale, Sen. Davis, Rep. Hansen, Rep. Morgan, and Rep. Shurtliff voting in opposition. Rep. Newbold was absent for the vote.

4. Health Care Cost and Quality Data (Draft Legislation)

Chair Morley noted that the Committee adopted this as a committee-recommended bill during the September meeting, but a few amendments have since been requested.

Rep. Morley presented 2007 General Session draft legislation, "Health Care Cost and Quality Data" that was distributed in the mailing packet. He explained that the bill would authorize the Health Data Committee to collect costs of episodes of health care and authorize the Department of Health to develop a plan to measure and compare costs of episodes of care.

MOTION: Rep. Clark moved to adopt 2007 General Session draft legislation, "Health Care Cost and Quality Data" as a committee bill. The motion passed unanimously with Rep. Newbold absent for the vote.

5. Workers' Compensation Fund - Board Compensation and Terms of Office (Draft Legislation)

Chair Morley noted that this issue was heard at the September meeting, but no action was taken.

Rep. David Clark presented 2007 General Session draft legislation, "Workers' Compensation Fund - Board Amendments" that was distributed in the mailing packet. He explained that the bill allows the board to set their own compensation up to a cap for the whole board of \$75,000.

Mr. Lane Summerhays, President and CEO, WCF (Workers Compensation Fund), and Mr. Dennis Lloyd, Legal Counsel of WCF, gave an overview on this issue.

MOTION: Sen. Hale moved to adopt 2007 General Session draft legislation, "Workers' Compensation Fund - Board Amendments" as a committee bill. The motion passed unanimously with Rep. Newbold absent for the vote.

6. Public Safety Retirement Conversion Window (Draft Legislation)

Rep. Merlynn T. Newbold presented 2007 General Session draft legislation, "Public Safety Retirement Conversion Window" that was distributed in the mailing packet. She explained that the bill modifies the Utah State Retirement and Insurance Benefit Act by providing a conversion window between the Public Safety Contributory Retirement System and the Public Safety Noncontributory Retirement System.

Chief Lindsay Shepherd, South Jordan Police Department, distributed a handout, "Memorandum - Public Safety Retirement Conversion Window" in support, along with several other agencies, of a window being created to allow law enforcement agencies the opportunity to convert from the Public Safety Contributory system to the noncontributory system.

Mr. Robert Newman, Executive Director, Utah State Retirement Systems, responded to committee questions regarding opening a window for all public employees to move to a noncontributory system from the contributory system.

MOTION: Rep. Clark moved to adopt 2007 General Session draft legislation, "Public Safety Retirement Conversion Window" as a committee bill. The motion passed unanimously.

7. Other Committee Business

8. Adjourn

MOTION: Rep. Shurtliff moved to adjourn the meeting. The motion passed unanimously with Rep. Newbold absent for the vote.

Chair Morley adjourned the meeting at 10:16 a.m.